

SENATE MOTION

MR. PRESIDENT:

I move that Engrossed House Bill 1001(ss) be amended to read as follows:

- 1 Page 11, delete lines 16 through 42.
- 2 Delete pages 12 through 15.
- 3 Page 16, delete lines 1 through 40, begin a new paragraph and
- 4 insert:
- 5 "SECTION 17. IC 4-31-4-2 IS AMENDED TO READ AS
- 6 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 2. (a) A county fiscal
- 7 body may adopt an ordinance permitting the filing of applications
- 8 under IC 4-31-5 to conduct pari-mutuel wagering on horse races at
- 9 racetracks in the county. However, before adopting the ordinance, the
- 10 county fiscal body must:
- 11 (1) conduct a public hearing on the proposed ordinance; and
- 12 (2) publish notice of the public hearing in the manner prescribed
- 13 by IC 5-3-1.
- 14 (b) The county fiscal body may:
- 15 (1) require in the ordinance adopted by the county fiscal body that
- 16 before applications under IC 4-31-5 to conduct pari-mutuel
- 17 wagering on horse races at racetracks in the county may be filed,
- 18 the voters of the county must approve the conducting of horse
- 19 racing meetings in the county under section 3 of this chapter; or
- 20 (2) amend an ordinance already adopted by the county fiscal body
- 21 to require that before applications under IC 4-31-5 to conduct
- 22 pari-mutuel wagering on horse races at racetracks in the county
- 23 may be filed, the voters of the county must approve the
- 24 conducting of horse racing meetings in the county under section
- 25 3 of this chapter.
- 26 An ordinance adopted under this section may not be amended to apply
- 27 to a person who has already been issued a permit under IC 4-31-5
- 28 before amendment of the ordinance.

(c) **An ordinance adopted under this section authorizing a person to conduct pari-mutuel wagering on horse races at racetracks in the county may not be adopted or amended with the intent to restrict a permit holder's ability to sell pari-mutuel pull tabs under IC 4-31-7.5. An ordinance adopted by the county fiscal body permitting the sale of pari-mutuel pull tabs is not a requirement for the lawful sale of pari-mutuel pull tabs under IC 4-31-7.5.**

SECTION 20. IC 4-31-5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 6. (a) The commission may not issue a recognized meeting permit unless the applicant has filed with the commission:

- (1) a financial statement prepared and certified by a certified public accountant in accordance with sound accounting practices, showing the net worth of the applicant;
- (2) a statement from the department of state revenue and the treasurer of state that there are no pari-mutuel taxes or other obligations owed by the applicant to the state or any of its departments or agencies;
- (3) a statement from the county treasurer of the county in which the applicant proposes to conduct horse racing meetings that there are no real or personal property taxes owed by any of the principals seeking the permit; and
- (4) a statement of obligations that are owed or being contested, including salaries, purses, entry fees, laboratory fees, and debts owed to vendors and suppliers.

(b) In addition to the requirements of subsection (a), the commission may not issue a recognized meeting permit for a recognized meeting to occur in a county unless IC 4-31-4 has been satisfied.

(c) In addition to the requirements of subsections (a) and (b), the commission may not issue a recognized meeting permit for a recognized meeting to occur at a location within thirty (30) linear miles of a location for which another permit holder has been issued a recognized meeting permit for a recognized meeting to occur.

SECTION 24. IC 4-31-5.5-7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 7. (a) **This section applies to real property owned by a permit holder authorized to conduct live pari-mutuel horse racing at the permit holder's racetrack in a county having a population of more than forty-three thousand (43,000) but less than forty-five thousand (45,000).**

(b) **A zoning ordinance that permits real property to be used as a racetrack for the purpose of conducting live pari-mutuel horse racing must be construed to authorize the permit holder to operate a satellite facility on the real property. An ordinance described in this section may not be amended to prohibit the permit holder from operating a satellite facility on the real property.**

SECTION 27. IC 4-31-7.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]:

Chapter 7.5. Pari-Mutuel Pull Tabs

Sec. 1. (a) This chapter applies only to the sale of pari-mutuel pull tabs by a person that holds a permit to conduct a pari-mutuel horse racing meeting issued under IC 4-31-5.

(b) This chapter does not apply to the sale of pull tabs by a qualified organization (as defined in IC 4-32-6-20) under IC 4-32.

Sec. 2. A pari-mutuel pull tab game must be conducted in the following manner:

(1) Each set of tickets must have a predetermined:

(A) total purchase price; and

(B) amount of prizes.

(2) Randomly ordered pari-mutuel pull tab tickets may be distributed from an approved location or from a distribution device to:

(A) the permit holder at the permit holder's racetrack or satellite facility, or both; or

(B) a terminal or device of the permit holder at the permit holder's racetrack or satellite facility, or both.

(3) A pari-mutuel pull tab ticket must be presented to a player in the form of a paper ticket or display on a terminal or device.

(4) Game results must be initially covered or otherwise concealed from view on the pari-mutuel pull tab ticket, terminal, or device so that the number, letter, symbol, or set of numbers, letters, or symbols cannot be seen until the concealing medium is removed.

(5) A winner is identified after the display of the game results when a player removes the concealing medium of the pari-mutuel pull tab ticket or display on a terminal or device.

(6) A winner shall receive the prize or prizes posted or displayed for the game from the permit holder.

Sec. 3. A person less than twenty-one (21) years of age may not purchase a pari-mutuel pull tab ticket.

Sec. 4. The sale price of a pari-mutuel pull tab ticket may not exceed ten dollars (\$10).

Sec. 5. (a) The sale, purchase, and redemption of pari-mutuel pull tab tickets are limited to the following locations:

(1) A live pari-mutuel horse racing facility operated by a permit holder under a recognized meeting permit in a county having a population of more than forty-three thousand (43,000) but less than forty-five thousand (45,000).

(2) A satellite facility that is located in a county containing a consolidated city and operated by a permit holder described

in subdivision (1).

(3) A live pari-mutuel horse racing facility operated by a permit holder under a recognized meeting permit in a county having a population of more than one hundred thirty thousand (130,000) but less than one hundred forty-five thousand (145,000).

(4) A satellite facility that is located in a county containing a consolidated city and operated by a permit holder described in subdivision (3).

(b) A permit holder may not install more than:

(1) seven hundred (700) pull tab terminals or devices on the premises of the permit holder's live pari-mutuel horse racing facility; and

(2) seven hundred (700) pull tab terminals or devices on the premises of the permit holder's satellite facility located in a county containing a consolidated city.

(c) Notwithstanding IC 4-31-5.5-3, the Indiana horse racing commission may issue the satellite facility license described in subsection (a)(2) before a permit holder described in subsection (a)(1) commences an initial racing meeting.

(d) If:

(1) the Indiana horse racing commission issues the satellite facility license described in subsection (a)(2) before the permit holder described in subsection (a)(1) commences the initial racing meeting; and

(2) the initial racing meeting is commenced more than one (1) year after the date on which the satellite facility begins operation under the satellite facility license;

the satellite facility's business operations shall be suspended until the commencement of the initial racing meeting.

Sec. 6. The number and amount of the prizes in a pari-mutuel pull tab game must be finite but may not be limited.

Sec. 7. A list of prizes for winning pari-mutuel pull tab tickets must be posted or displayed at a location where the tickets are sold.

Sec. 8. A permit holder may close a pari-mutuel pull tab game at any time.

Sec. 9. A terminal or device selling pari-mutuel pull tab tickets may be operated by a player without the assistance of the permit holder for the sale and redemption of pari-mutuel pull tab tickets.

Sec. 10. A terminal or device selling pari-mutuel pull tab tickets may not dispense coins or currency as prizes for winning tickets. Prizes awarded by a terminal or device must be in the form of credits for additional play or certificates redeemable for cash or prizes.

Sec. 11. (a) The Indiana gaming commission shall adopt rules under IC 4-22-2, including emergency rules under IC 4-22-2-37.1, to implement this chapter, including rules that prescribe:

(1) an approval process for pari-mutuel pull tab games that

requires periodic testing of the games and equipment by an independent entity under the oversight of the commission to ensure the integrity of the games to the public;

(2) a system of internal audit controls;

(3) a method of payment for pari-mutuel pull tab prizes that allows a player to transfer credits from one (1) terminal or device to another;

(4) a method of payment for pari-mutuel pull tab prizes that allows a player to redeem a winning ticket for additional play tickets or credit to permit purchase of additional play tickets;

(5) requirements for a license to sell pari-mutuel pull tabs that a permit holder must obtain from the commission before selling pari-mutuel pull tabs; and

(6) any other procedure or requirement necessary for the efficient and economical operation of the pari-mutuel pull tab games and the convenience of the public.

(b) The Indiana gaming commission may enter into a contract with the Indiana horse racing commission for the provision of services necessary to administer pari-mutuel pull tab games.

Sec. 12. (a) The Indiana gaming commission may issue a license to a permit holder to sell pari-mutuel pull tabs under this chapter at the locations described in section 5 of this chapter.

(b) Before issuing a license to a permit holder under this section, the Indiana gaming commission shall subject the permit holder to a background investigation similar to a background investigation required of an applicant for a riverboat owner's license under IC 4-33-6.

(c) An initial pari-mutuel pull tab license expires five (5) years after the effective date of the license.

(d) Unless the pari-mutuel pull tab license is terminated, expires, or is revoked, the pari-mutuel pull tab license may be renewed annually upon:

(1) the payment of an annual renewal fee determined by the Indiana gaming commission; and

(2) a determination by the Indiana gaming commission that the licensee satisfies the conditions of this chapter.

(e) A permit holder holding a pari-mutuel pull tab license shall undergo a complete investigation every three (3) years to determine that the permit holder remains in compliance with this article.

(f) Notwithstanding subsection (e), the Indiana gaming commission may investigate a permit holder at any time the commission determines it is necessary to ensure that the licensee remains in compliance with this article.

(g) The permit holder shall bear the cost of an investigation or reinvestigation of the permit holder and any investigation resulting from a potential transfer of ownership.

Sec. 13. The Indiana gaming commission may assess an

administrative fee to a permit holder offering pari-mutuel pull tab games in an amount that allows the commission to recover all of the commission's costs of administering the pari-mutuel pull tab games.

Sec. 14. The Indiana gaming commission may not permit the sale of pari-mutuel pull tab tickets in a county where a riverboat is docked.

Sec. 15. All shipments of gambling devices, including pari-mutuel pull tab machines, to permit holders in Indiana, the registering, recording, and labeling of which have been completed by the manufacturer or dealer in accordance with 15 U.S.C. 1171 through 15 U.S.C. 1178, are legal shipments of gambling devices into Indian)a.

Sec. 16. Under 15 U.S.C. 1172, approved January 2, 1951, the state of Indiana, acting by and through elected and qualified members of the legislature, declares and proclaims that the state is exempt from 15 U.S.C. 1172.

Sec. 17. The Indiana gaming commission shall regulate and administer the sale, purchase, and redemption of pari-mutuel pull tab tickets under this chapter.

SECTION 28. IC 4-31-7.6 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]:

Chapter 7.6. Taxation of Pari-Mutuel Pull Tabs and Fees

Sec. 1. (a) This chapter applies only to the lawful sale of pari-mutuel pull tabs by a person that:

- (1) holds a permit to conduct a pari-mutuel horse racing meeting issued under IC 4-31-5; and
- (2) is authorized to sell pari-mutuel pull tabs under IC 4-31-7.5.

(b) This chapter does not apply to the sale of pull tabs by a qualified organization (as defined in IC 4-32-6-20) under IC 4-32.

(c) This chapter may not itself be construed to authorize the sale of pari-mutuel pull tabs.

Sec. 2. As used in this chapter, "adjusted gross receipts" means:

- (1) the total of all cash and property (including checks received by a permit holder, whether collected or not) received by a permit holder from pari-mutuel pull tab sales; minus
- (2) the total of:
 - (A) all cash paid out to patrons as winnings for pari-mutuel pull tabs; and
 - (B) uncollectible pari-mutuel pull tab receivables, not to exceed the lesser of:
 - (i) a reasonable provision for uncollectible patron checks received from pari-mutuel pull tab sales; or
 - (ii) two percent (2%) of the total of all sums, including checks, whether collected or not, less the amount paid

1 out to patrons as winnings for pari-mutuel pull tabs.
 2 For purposes of this section, a counter or personal check that is
 3 invalid or unenforceable under this article is considered cash
 4 received by the permit holder from pari-mutuel pull tab sales.

5 Sec. 2.5. As used in this chapter, "county resident student"
 6 means a student enrolled in a school corporation who resides in a
 7 county having a population of more than one hundred thirty
 8 thousand (130,000) but less than one hundred forty-five thousand
 9 (145,000).

10 Sec. 3. (a) A tax is imposed on the adjusted gross receipts
 11 received from the sale of pari-mutuel pull tabs authorized under
 12 this article at the rate of:

13 (1) thirty-two and five-tenths percent (32.5%) of the first one
 14 hundred fifty million dollars (\$150,000,000) of the adjusted
 15 gross receipts received during the period beginning July 1 of
 16 each year and ending June 30 of the following year; and

17 (2) thirty-seven and five-tenths percent (37.5%) of the
 18 adjusted gross receipts exceeding one hundred fifty million
 19 dollars (\$150,000,000) received during the period beginning
 20 July 1 of each year and ending June 30 of the following year.

21 For purposes of calculating the amount of taxes imposed under this
 22 section each day, a permit holder shall combine the permit holder's
 23 adjusted gross receipts received from the sale of pari-mutuel pull
 24 tabs at the permit holder's racetrack and the permit holder's
 25 satellite facility located in a county containing a consolidated city.

26 (b) The permit holder shall remit the tax imposed by this section
 27 to the department before the close of the business day following the
 28 day the pari-mutuel pull tabs are sold.

29 (c) The department may require payment under this section to
 30 be made by electronic funds transfer (as defined in IC 4-8.1-2-7(f)).

31 (d) If the department requires taxes to be remitted under this
 32 chapter through electronic funds transfer, the department may
 33 allow the permit holder to file a monthly report to reconcile the
 34 amounts remitted to the department.

35 (e) The department may allow taxes remitted under this section
 36 to be reported on the same form used for taxes paid under
 37 IC 4-31-9.

38 Sec. 4. (a) The state pull tab wagering fund is established.
 39 Money in the fund does not revert to the state general fund at the
 40 end of a state fiscal year.

41 (b) The department shall deposit tax revenue collected under
 42 section 3 of this chapter in the state pull tab wagering fund.

43 (c) Each month, the treasurer of state shall distribute the tax
 44 revenue deposited in the state pull tab wagering fund under this
 45 section as follows:

46 (1) Thirty percent (30%) of the tax revenue remitted by each
 47 permit holder shall be paid as follows:

48 (A) In the case of a racetrack that is located in a county

1 having a population of more than one hundred thirty
 2 thousand (130,000) but less than one hundred forty-five
 3 thousand (145,000), the amount determined under
 4 subsection (d) shall be paid as follows:

5 (i) Fifty-eight percent (58%) to a city having a
 6 population of more than fifty-nine thousand seven
 7 hundred (59,700) but less than sixty-five thousand
 8 (65,000).

9 (ii) Seventeen percent (17%) to the capital projects fund
 10 of the county for distribution by the county legislative
 11 body.

12 (iii) Seventeen percent (17%) to the school corporations
 13 located in the county. The tax revenue distributed under
 14 this item must be divided among the school corporations
 15 on a pro rata basis according to the ratio the number of
 16 county resident students enrolled in each school
 17 corporation bears to the total number of county resident
 18 students enrolled in the school corporations located in
 19 the county. Revenue received by a school corporation
 20 under this item is considered miscellaneous revenue.

21 (iv) Eight percent (8%) to the incorporated cities and
 22 towns located in the county other than a city described in
 23 item (i). The tax revenue distributed under this item
 24 must be divided among the cities and towns on a pro rata
 25 basis according to the ratio the population of each city or
 26 town bears to the total population of the county minus
 27 the population of a city described in item (i).

28 (B) In the case of a racetrack that is located in a county
 29 having a population of more than forty-three thousand
 30 (43,000) but less than forty-five thousand (45,000), the
 31 amount determined under subsection (e) shall be paid in
 32 equal amounts to:

33 (i) the county; and

34 (ii) a city having a population of more than seventeen
 35 thousand nine hundred (17,900) but less than eighteen
 36 thousand one hundred (18,100) that is located in the
 37 county.

38 (C) In the case of the satellite facilities located in a county
 39 containing a consolidated city, the amount determined
 40 under subsection (f) shall be paid as follows:

41 (i) Forty-one and seven-tenths percent (41.7%) to the
 42 consolidated city.

43 (ii) Twenty and eight-tenths percent (20.8%) to the
 44 housing trust fund established under
 45 IC 36-7-15.1-35.5(e).

46 (iii) Twelve and five-tenths percent (12.5%) to the
 47 county.

48 (iv) Twenty-five percent (25%) to the school

corporations located in the county containing a consolidated city. The tax revenue distributed under this item must be divided among the school corporations on a pro rata basis according to each school corporation's ADM (as defined in IC 21-3-1.6-1.1).

(2) After the distributions required under subdivision (1) are made, the next twenty-six million dollars (\$26,000,000) of tax revenue shall be paid to the commission to be distributed as follows:

(A) Three percent (3%) is to be distributed as follows for the support and operation of the following horsemen's associations (as defined in IC 4-31-8-6):

(i) Forty-five percent (45%) to the horsemen's associations representing the standardbred owners and trainers.

(ii) Forty-five percent (45%) to the horsemen's associations representing the thoroughbred owners and trainers.

(iii) Ten percent (10%) to the horsemen's associations representing the quarterhorse owners and trainers.

(B) The remainder is to be distributed, in amounts determined by the commission, for the promotion and operation of horse racing, as follows:

(i) To a breed development fund established by the commission under IC 4-31-11-10.

(ii) To each racetrack that has been approved by the commission under this article. The commission may make a grant under this item only for purses, promotions, and routine operations.

(iii) To county fairs, 4-H fairs, a fair located in a town having a population of more than one thousand one hundred (1,100) located in a county having a population of more than thirty-six thousand seventy-five (36,075) but less than thirty-seven thousand (37,000), and a trotting association located in a county having a population of more than twenty-one thousand eight hundred (21,800) but less than twenty-two thousand one hundred (22,100). Distributions made under this item shall be used for the maintenance and operation of horse racing facilities.

(3) After the distributions required under subdivisions (1) and (2) are made, the remainder of tax revenue remitted by each permit holder shall be paid to the state general fund.

(d) This subsection applies to tax revenues received from a racetrack located in a county having a population of more than one hundred thirty thousand (130,000) but less than one hundred forty-five thousand (145,000). The amount of tax revenues to be distributed under subsection (c)(1)(A) is determined under STEP

FIVE of the following formula:

STEP ONE: Determine the total amount of tax revenue remitted by the permit holder in the preceding month.

STEP TWO: Determine the amount of tax revenue remitted by the permit holder in the preceding month attributable to adjusted gross receipts received from the racetrack.

STEP THREE: Determine the ratio of the STEP TWO amount to the STEP ONE amount.

STEP FOUR: Multiply the STEP ONE amount by thirty percent (30%).

STEP FIVE: Multiply the STEP FOUR result by the ratio determined under STEP THREE.

(e) This subsection applies to tax revenues received from a racetrack located in a county having a population of more than forty-three thousand (43,000) but less than forty-five thousand (45,000). The amount of tax revenues to be distributed under subsection (c)(1)(B) is determined under STEP FIVE of the following formula:

STEP ONE: Determine the total amount of tax revenue remitted by the permit holder in the preceding month.

STEP TWO: Determine the amount of tax revenue remitted by the permit holder in the preceding month attributable to adjusted gross receipts received from the racetrack.

STEP THREE: Determine the ratio of the STEP TWO amount to the STEP ONE amount.

STEP FOUR: Multiply the STEP ONE amount by thirty percent (30%).

STEP FIVE: Multiply the STEP FOUR result by the ratio determined under STEP THREE.

(f) This subsection applies to tax revenues received from both satellite facilities located in a county containing a consolidated city. The amount of the tax revenues distributed under subsection (c)(1)(C) is determined under STEP SIX of the following formula:

STEP ONE: Determine the sum of the subsection (d) STEP ONE amount and the subsection (e) STEP ONE amount.

STEP TWO: Determine the sum of the subsection (d) STEP TWO amount and the subsection (e) STEP TWO amount.

STEP THREE: Determine the remainder of the sum determined under STEP ONE minus the sum determined under STEP TWO.

STEP FOUR: Determine the ratio of the amount determined under STEP THREE to the sum determined under STEP ONE.

STEP FIVE: Multiply the sum determined under STEP ONE by thirty percent (30%).

STEP SIX: Multiply the STEP FIVE result by the ratio determined under STEP FOUR.

Sec. 5. (a) As used in this section, "net receipts" means a permit

holder's adjusted gross receipts, minus any taxes paid under section 3 of this chapter.

(b) Beginning January 1 following the second anniversary of the date that the sale of pari-mutuel pull tab tickets begins at a location described in this chapter and every year thereafter, the permit holder shall pay the percentage of the permit holder's net receipts set forth in subsection (c) to the commission for purse money and breed development.

(c) Beginning January 1 of the following years of operation, the purse money and breed development fee is equal to the following percentages of the permit holder's net receipts:

Year 3	2%
Year 4	2%
Year 5	5%
Year 6	7%
Year 7	8%
Year 8	9%
Year 9	10%
Year 10 and each year thereafter	12%

(d) The commission shall allocate money received under this section to purses and breed development.

Sec. 6. (a) The commission shall annually impose a supplemental fee of two hundred fifty thousand dollars (\$250,000) upon each permit holder operating a racetrack under this article.

(b) Fifty percent (50%) of the annual fees collected under this section must be used for training facilities and capital improvements, including stall improvements.

(c) Fifty percent (50%) of the annual fees collected under this section must be used to promote live racing at county and 4-H fairgrounds.

Sec. 7. This chapter does not prohibit a city or county in which pari-mutuel pull tabs are offered for sale under IC 4-31-7.5 from entering into agreements with other units of local government in Indiana or in other states to share the city's or county's part of the tax revenue received under this chapter.

SECTION 75. IC 4-33-13-5, AS AMENDED BY P.L.186-2002, SECTION 11, AND AS AMENDED BY P.L.178-2002, SECTION 3, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 5. (a) This subsection does not apply to a riverboat located in a historic district described in IC 4-33-1-1(3).** After funds are appropriated under section 4 of this chapter, each ~~month~~ **year** the treasurer of state shall distribute the tax revenue deposited in the state gaming fund under this chapter to the following:

(1) Twenty-five percent (25%) of the tax revenue remitted by each licensed owner shall be paid **as follows:**

(A) to the city that is designated as the home dock of the

riverboat from which the tax revenue was collected; in the case of:

- (i) a city described in IC 4-33-12-6(b)(1)(A); or
- (ii) a city located in a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000);

(B) in equal shares to the counties described in IC 4-33-1-1(3); in the case of a riverboat whose home dock is on Patoka Lake; or

(C) (A) Twenty-five percent (25%) to the county that is designated as the home dock of in which the riverboat from which the tax revenue was collected in the case of a riverboat whose home dock is not in a city described in clause (A) or a county described in clause (B); and is located.

(B) Two and five-tenths percent (2.5%) to the county convention and visitors bureau of the county in which the riverboat from which the tax revenue was collected is located.

(C) The remainder to the city that is designated as the home dock of the riverboat from which the tax revenue was collected in the case of a riverboat docked in a city that:

- (i) is described in IC 4-33-6-1(a)(1) through IC 4-33-6-1(a)(4) or IC 4-33-6-1(b); or
- (ii) is contiguous to the Ohio River and is the largest city in the county.

If the riverboat is not docked in a city described in item (i) or (ii), the amount paid under this clause must be paid to the county in which the riverboat from which the tax revenue was collected is located.

The treasurer of state shall distribute the amounts that are required to be paid under this subdivision to the counties, cities, and convention and visitors bureaus on a monthly basis.

(2) Except as provided in subsection (g), seventy-five percent (75%) of the tax revenue remitted by each licensed owner shall be paid as follows:

(A) Twenty-six million dollars (\$26,000,000) minus the amount, if any, paid to the Indiana horse racing commission under IC 4-31-7.6-4 shall be paid to the Indiana horse racing commission to be distributed as follows, in amounts determined by the Indiana horse racing commission, for the promotion and operation of horse racing in Indiana:

- (i) To one (1) or more breed development funds established by the Indiana horse racing commission under IC 4-31-11-10.
- (ii) To each racetrack that has been approved by the

1 Indiana horse racing commission under IC 4-31. The
 2 Indiana horse racing commission may make a grant
 3 under this clause only for purses, promotions, and
 4 routine operations of a racetrack. No grants shall be
 5 made for long term capital investment or construction.
 6 (iii) To county fairs, 4-H fairs, a fair located in a town
 7 having a population of more than one thousand one
 8 hundred (1,100) located in a county having a population
 9 of more than thirty-six thousand seventy-five (36,075)
 10 but less than thirty-seven thousand (37,000), and a
 11 trotting association located in a county having a
 12 population of more than twenty-one thousand eight
 13 hundred (21,800) but less than twenty-two thousand one
 14 hundred (22,100). Distributions made under this item
 15 shall be used for the maintenance and operation of horse
 16 racing facilities.

17 Before August 1 of each year, the treasurer of state shall
 18 set aside the amount of the money subtracted from the
 19 amount paid to the Indiana horse racing commission under
 20 this clause in the preceding state fiscal year to make the
 21 revenue sharing distributions required under subsection
 22 (f).

23 (B) Four million dollars (\$4,000,000) to the division of
 24 mental health and addiction.

25 (C) Six million dollars (\$6,000,000) to the state fair
 26 commission for use in any activity that the commission is
 27 authorized to carry out under IC 15-1.5-3.

28 (D) One million five hundred thousand dollars (\$1,500,000)
 29 to the center for agricultural science and heritage
 30 established by IC 15-1.5-10.5-3.

31 (E) One million dollars (\$1,000,000) to the school for the
 32 blind.

33 (F) One million dollars (\$1,000,000) to the school for the
 34 deaf.

35 (G) The following amounts to the shoreline environmental
 36 trust fund established by IC 36-7-13.5-19:

37 (i) Three million five hundred thousand dollars
 38 (\$3,500,000) in state fiscal year 2004.

39 (ii) Seven million dollars (\$7,000,000) in state fiscal year
 40 2005 and each state fiscal year thereafter.

41 (H) Fifteen million dollars (\$15,000,000) to the Indiana
 42 twenty-first century research and technology fund.

43 (I) The remainder to the state general fund.

44 The treasurer of state shall proportionately distribute the
 45 amounts that are required to be paid in each state fiscal year
 46 under clauses (A) through (I) in twelve (12) equal installments
 47 based on an estimate of total projected revenues for the state
 48 fiscal year certified by the budget agency or, if the budget

agency modifies its estimate, the recertified estimate of projected revenues for the state fiscal year. In December of each state fiscal year, the treasurer of state shall transfer from money deposited under clause (I) to each of the specified purposes under clauses (A) through (H) the remainder of any amount necessary to provide fifty percent (50%) of the funding specified in clauses (A) through (H) for each of the specified purposes after deducting the sum of the amounts remitted on a monthly basis to that purpose in the state fiscal year. In June of each state fiscal year, the treasurer of state shall transfer from money deposited under clause (I) to each of the specified purposes under clauses (A) through (H) the remainder of any amount necessary to provide one hundred percent (100%) of the funding specified in clauses (A) through (H) for each of the specified purposes after deducting the sum of the amounts remitted on a monthly basis to that purpose in the state fiscal year. However, if insufficient money is deposited under clause (I) to comply with this subsection, the treasurer of state shall proportionally reduce the amount transferred to each purpose in clauses (A) through (H).

(b) Each state fiscal year the treasurer of state shall transfer from the tax revenue remitted to the state general fund under subsection (a)(2)(I) to the build Indiana fund *lottery and gaming surplus account*: an amount not to exceed two hundred fifty million dollars (\$250,000,000). The amount transferred under this subsection shall be paid in two (2) equal installments not to exceed one hundred twenty-five million dollars (\$125,000,000) each on the last day of December and the last day of June each state fiscal year and shall be reduced by the following amounts deposited in the build Indiana fund during the same state fiscal year:

(1) Surplus lottery revenues under IC 4-30-17-3.

(2) Surplus revenue from the charity gaming enforcement fund under IC 4-32-10-6.

(3) Tax revenue from pari-mutuel wagering under IC 4-31-9-3.

The treasurer of state shall distribute the amounts required to be paid under this subsection based on an estimate of total amount to be transferred to the state general fund under subsection (a)(2)(I) for the state fiscal year certified by the budget agency or, if the budget agency modifies its estimate, the recertified estimate of the amount to be transferred to the state general fund under subsection (a)(2)(I). If in any state fiscal year insufficient money is transferred to the state general fund under subsection (a)(2)(I) to comply with this subsection, the treasurer of state shall reduce the amount transferred to the build Indiana fund to the amount available in the state general fund from the transfers under subsection (a)(2)(I) for the state fiscal year. Projects for which money was appropriated from the build Indiana fund under

1 **P.L.291-2001, SECTION 38, must be funded, upon review of the**
 2 **budget committee, from the money transferred under this**
 3 **subsection.**

4 **(c) This subsection applies only to a riverboat located in a**
 5 **historic district described in IC 4-33-1-1(3). After funds are**
 6 **appropriated under section 4 of this chapter, each year the**
 7 **treasurer of state shall distribute the tax revenue deposited in the**
 8 **state gaming fund under this chapter to the following:**

9 **(1) Twenty percent (20%) to the state general fund.**

10 **(2) Thirty-five percent (35%) to the historic district described**
 11 **in IC 4-33-1-1(3).**

12 **(3) Twenty-seven percent (27%) to be divided evenly among**
 13 **the counties contiguous to Patoka Lake.**

14 **(4) Five and five-tenths percent (5.5%) to a town described in**
 15 **IC 4-33-1-1(3)(C)(i).**

16 **(5) Five and five-tenths percent (5.5%) to a town described in**
 17 **IC 4-33-1-1(3)(C)(ii).**

18 **(6) Two percent (2%) to the tourism commission of a town**
 19 **described in IC 4-33-1-1(3)(C)(i).**

20 **(7) Two percent (2%) to the tourism commission of a town**
 21 **described in IC 4-33-1-1(3)(C)(ii).**

22 **(8) Three percent (3%) to a county having a population of**
 23 **more than nineteen thousand three hundred (19,300) but less**
 24 **than twenty thousand (20,000). Money distributed to a county**
 25 **under this subdivision must be used to make grants to other**
 26 **government agencies.**

27 **The treasurer of state shall distribute the amounts that are**
 28 **required to be paid under this subsection on a monthly basis.**

29 **(d) If a permit holder sells pull tabs at a racetrack or satellite**
 30 **facility, the maximum amount that the Indiana horse racing**
 31 **commission may grant for routine operations at the permit**
 32 **holder's racetrack under subsection (a)(2)(A)(ii) is equal to:**

33 **(1) the total amount granted under this section in a calendar**
 34 **year to a racetrack operated by a permit holder under a**
 35 **recognized meeting permit first issued before January 1,**
 36 **2002; minus**

37 **(2) the total adjusted gross receipts reported by a permit**
 38 **holder under IC 4-31-7.6-3 for the twelve (12) months**
 39 **immediately preceding the date on which the grant is**
 40 **distributed.**

41 **(e) Money received by the division of mental health and**
 42 **addiction under subsection (a)(2)(B):**

43 **(1) is annually appropriated to the division of mental health**
 44 **and addiction;**

45 **(2) shall be distributed to the division of mental health and**
 46 **addiction at times during each state fiscal year determined by**
 47 **the budget agency; and**

48 **(3) shall be used by the division of mental health and addiction**

1 for programs and facilities for the prevention and treatment
 2 of addictions to drugs, alcohol, and compulsive gambling,
 3 including the creation and maintenance of a toll free
 4 telephone line to provide the public with information about
 5 these addictions.

6 The division of mental health and addiction shall allocate at least
 7 twenty-five percent (25%) of the money received under subdivision
 8 (3) to the prevention and treatment of compulsive gambling.

9 (f) Before August 15, the treasurer of state shall distribute the
 10 wagering taxes set aside for revenue sharing under subsection
 11 (a)(2)(A) to the county treasurer of each county that does not have
 12 a riverboat, a pari-mutuel horse racing track, or a pari-mutuel
 13 horse racing satellite facility that offers pari-mutuel pull tabs
 14 according to the ratio that the county's population bears to the
 15 total population of the counties that do not have a riverboat, a
 16 pari-mutuel horse racing track, or a pari-mutuel horse racing
 17 satellite facility that offers pari-mutuel pull tabs. The county
 18 treasurer shall distribute the money received by the county under
 19 this subsection as follows:

20 (1) Ten percent (10%) of the money shall be retained by the
 21 county to promote tourism. If a county has a convention,
 22 visitor, and tourism promotion fund, or a similar fund, the
 23 county treasurer shall deposit the required amount into the
 24 fund.

25 (2) Ninety percent (90%) of the money shall be distributed as
 26 follows:

27 (A) To each city located in the county according to the
 28 ratio the city's population bears to the total population of
 29 the county.

30 (B) To each town located in the county according to the
 31 ratio the town's population bears to the total population of
 32 the county.

33 (C) After the distributions required in clauses (A) and (B)
 34 are made, the remainder shall be retained by the county.

35 (g) If the treasurer of state determines that the amount
 36 distributed to a city, county, or county convention and visitor's
 37 bureau under subsection (a)(1) is less than the average monthly
 38 distribution as determined over the preceding twelve (12) months,
 39 the treasurer of state shall make an additional distribution to the
 40 city, county, or county convention and visitor's bureau. The
 41 additional distribution is equal to the difference between the
 42 average monthly distribution and the amount distributed under
 43 subsection (a)(1). The treasurer of state shall make the additional
 44 distribution required under this subsection from tax revenues that
 45 would have otherwise been distributed under subsection (a)(2)."

- 1 Page 229, delete lines 17 through 19.
- 2 Renumber all SECTIONS consecutively.
- 3 (Reference is to EHB 1001(ss) as printed June 13, 2002.)

Senator SERVER